

STATEMENT OF
LINDA E. BROOKS RIX, CO-CHIEF EXECUTIVE OFFICER
AVUE TECHNOLOGIES CORPORATION

BEFORE THE

SUBCOMMITTEE ON CIVIL SERVICE AND AGENCY
ORGANIZATION
COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES

DIVERSITY WITHIN THE SENIOR EXECUTIVE SERVICE (SES)
OCTOBER 15, 2003

Thank you, Madam Chairman and Members of the Committee for the opportunity to testify before you today. My name is Linda Rix, and I'm the founder and Co-Chief Executive Officer of Avue Technologies. Prior to founding Avue in 1983, I worked for five years with the US Office of Personnel Management.

Headquartered in Tacoma, Washington, Avue Technologies began as a consulting and seminar company and transformed into a technology firm, providing workforce management solutions to a number of Federal agencies, helping managers with everything from recruitment and performance management to workforce forecasting and succession planning. Our customer base is made up entirely of Federal agencies and departments, and our staff consists of a number of former Federal management and technology experts. We have been working with the Federal government since 1983.

An inherent part of our philosophy is supporting effective execution of agency responsibilities in all matters regarding civil rights in Federal employment. To this end, Avue offers the only HR technology solution that completely integrates all aspects of equal employment opportunity and the Federal Merit System into each and every aspect of workforce management. Avue is very proud of the fact that Blacks in Government (Region XI, Washington DC Metro-Area); the Federal Asian Pacific American Council, and National Image (supporting the education and employment of Hispanics) have all stated that Avue is the "only automated solution for the public sector that insures non-discriminatory treatment of all employees and applicants in terms of hiring, promotion, training, disciplinary treatment, and similar issues of workforce management."

Since 1978, when I first joined the Federal service, I have watched the focus on workforce diversity wax and wane, triumph and fail, but, always, remain a cornerstone in each and every employment program in the Federal sector. This constant has also applied to the Senior Executive Service.

We share the opinion that diversity is indeed lacking in the SES. As regulatory agencies have reported, more must be done to assure that Federal senior leadership better reflects the makeup of the public it serves. Some advancement has been made, as we have seen increases in the SES for both African Americans and women. Other areas require more attention. Our research reveals, for instance, that while representation of women in the SES has improved, the compensation of women executives continues to lag that of male counterparts. As I will discuss later in my testimony, increasing diversity relies on improvements in both the strategy and operational effectiveness. Positive gains in improved recruitment can easily be nullified by poor processes surrounding the assessment, selection, and development of new SES recruits.

To begin, we should acknowledge that the original intent of the SES, to create a mobile, interchangeable, professional cadre of managers, continues to be a challenge. Specifically, the level of interchangeability has not materialized to the extent desired, especially with regard to movement between the public and private sectors. Other facets of the program, including the candidate assessment process, are in dire need of

improvement. However, to address the immediate issue, agencies urgently must build more avenues of outreach and access to ultimately result in short-term gains in the diversity representation in the SES. Today, 99% of the GS-14 and GS-15 employees in the Federal Government are promoted up from inside the Federal Government. As GAO reported, the SES candidate pipeline flows directly from these GS-14/15 governmental ranks. So, it stands to reason that to achieve greater diversity in the SES ranks, the Federal sector must focus on building the diversity of GS-14/15 pipeline. In addition, we see no reason to exclude a viable external recruitment strategy.

As reflected in EEOC guidance, improving underrepresentation at any level of government requires a concerted, deliberate, and thoughtful plan of action. Such a multifaceted plan uniquely addresses the condition as it is found within a specific employer, rather than a gross generalization of the government as a whole. Like politics, matters of diversity representation are inherently local. At this point in the process of examining the SES, we feel agencies must consider two major factors that will result in increasing the representation of minorities and women in senior leadership positions:

- 1) Federal agencies must improve their outreach, job information accessibility, and focused recruitment of underrepresented groups at all levels of Government, including looking outside the traditional candidate pool to include “SES-ready,” underrepresented applicants from the outside the Federal sector;
- 2) Recruitment, however, addresses only one of a series of factors which must be aligned into a congruent, mission-sensitive, plan of action. In addition to recruitment and access to information, agencies must more deeply examine and address underlying barriers to effective assessment, compensation, and retention practices, including artificial constraints and confusion produced by the organizational “firewall” between human resources and equal employment opportunity programs and regulatory oversight.

At Avue, we pioneered the ultimate form of job information reach through multiple channels of access. For the first time, job information does not have to be homogenized to a single access point or a single format because of the Internet’s great capability as a global information dissemination and access system. Using Avue, client agencies have been given the capability to improve diversity by publishing their job postings to over 1,100 different recruitment sites, simultaneously, completely digitally, in seconds. Ours is the only system in Government to do so.

In addition, we allow for maximum personal engagement by applicants and hiring managers alike by illuminating previously cloaked job application processes. Leading-edge skills in technology architecture coupled with mastery in the human resources and civil rights domains allow a company like Avue to enact the vision of technology as a great equalizer in opportunities for employment and advancement. Simply put, citizen-applicants and Federal employees seek a fair job, not a job fair. Only the latest in technology can provide the means to achieving this.

With the new No Fear Act and EEOC's implementation of Management Directive 715, today is the relevant time to look at current effects of Federal operating practices, the changes necessary to optimize the use of technology in implementing workforce representation, and whether such efforts are being helped or hindered by recent policy shifts by the Office of Personnel Management.

Technology Can Help Achieve Diversity

While technology can be a great platform, one must be extraordinarily careful to use it masterfully. A single policy or technology can produce both opportunity and risk. Such is the case of résumé intake systems in Government. Resume-based Federal hiring processes opened the door for many applicants by allowing them to re-use their résumé for multiple job opportunities. Unfortunately, at the same time, it opened the window to discriminatory employment practices within the Federal Government. Wider access resulted in increased applicant supply but the Government failed to address the need for sufficient human resources capacity to process them. Agencies were, and continue to be, inundated with resumes and do not have the personnel capacity to process them in a merit-based manner. Mistakes are made; rules and regulations are overlooked and biases creep into hiring decisions. This trend results in a competitive disadvantage for minority applicants and in many instances expensive employment litigation at the expense of the American taxpayer.

Today, to safeguard the Merit System and the Uniform Guidelines on Employee Selection Procedures, a new, technology-savvy generation of Federal agencies is making great progress implementing fair and transparent hiring processes through the use of automated recruitment and staffing technology. These solutions automate the way Federal managers determine where needs exist, the way they classify and recruit for positions, and the way citizen-applicants search and apply for jobs. Agencies can instantly post job openings on the web sites of hundreds of minority and professional organizations, broadening the applicant pool to candidates who might otherwise not ever recognize Federal employment opportunities. These agency successes result from leveraging technology to simultaneously cut hiring cycle times by 50% or more and to assure nondiscriminatory and merit-based hiring processes.

Today's EEOC directives mandate that agencies enact action plans that make a difference. That, coupled with the recent passage of the Notification and Federal Anti-Discrimination and Retaliation Act – the No FEAR Act, requires individual agencies to carry the accountability for their gains and losses. For the first time individual agencies, not the Federal Treasury as a whole, are liable for settlements, awards or judgments against them in whistleblower and discrimination cases. Since the No FEAR Act shifted the burden to the individual agencies, it is up to the agency to address its own unique underrepresentation issues and examine its practices for barriers to achievement of a non-discriminatory work environment. At Avue, we have innumerable cases that illustrate that the proper use of technology provides the means for agencies to eliminate this risk altogether.

The Library of Congress is an Avue client and offers a striking example of how Civil Rights risk can be reduced substantially or eliminated altogether. At the time the Library first approached our company, it had been subject to a 20-year consent decree arising from a class action alleging discrimination in hiring. With the mutual agreement of the Library and the Class representatives, Avue's automated system for hiring and promotion was incorporated in the consent decree as the core of a redesigned process that would allow the Library to avoid Federal court receivership of their hiring and promotional processes and fully and finally resolve this long-standing controversy. Three years later, all hiring and promotion at the Library is done using Avue's system and the Federal court has closed out the consent decree with no further supervision required.

At Avue, we have extended our commitment to building improved diversity among our client-agencies by formal partnerships with various groups, among them, Blacks in Government, National Image, the Federal Asian Pacific American Council, Black Data Processing Associates, and the Senior Executives Association. Avue, with its 1,100 embedded recruitment sites, ranging from higher education institutions, professional associations, diversity associations, community groups, and other focused audiences, provides the most comprehensive outreach program in Government today. Avue client agencies reach out and communicate job opportunities to a wide and diverse population within seconds of posting a job.

Moving Forward

Despite a constant decrease in Federal human resources capacity, far too many agencies still rely on outdated hiring processes to recruit to fill open positions. These agencies range in size from the very large to the very small, and surprisingly, include the Office of Personnel Management itself. It's no secret that because of these processes, many agencies have no means of guaranteeing merit-based recruiting. To put a stop to this disturbing trend, agencies must implement methods to identify the make-up of their workforces. They must develop processes that guarantee a non-discriminatory hiring environment, and they must broaden their recruitment reach to a larger, more diverse applicant pool. Unfortunately, agencies often lack either the resources or the operational sophistication to achieve these objectives. Implementing smart technology solutions is the only way to correct present day workforce imbalances.

Because SES candidates come largely from the internal ranks of Federal employees, over the long run, the only systemic way to insure diversity in the Senior Executive Service is to insure diversity in the Federal government as a whole. By implementing proven technology solutions such as Avue's, managers can increase recruitment reach, gain insight into diversity needs and trends within their respective agencies, and better adhere to the Merit System. With a more diverse, more qualified, better-trained workforce, agencies will have more opportunities to recruit diverse candidates into the SES.

In the short run, however, in order to achieve acceptable SES diversity levels, agencies must begin to look beyond the traditional SES candidate pools within the bureaucracy to qualified executive candidates who work in the private sector. Using the same policies and technology I've outlined, agencies gain access to an executive talent pool that remains largely untapped.

Barriers to Progress

A persistent 'firewall' between Equal Employment Opportunity and Federal Human Resources policy and operations is the most significant barrier to the Government's ability to produce the right result. Since the Civil Service Reform Act of 1978, agencies have been charged with producing a Federal Equal Opportunity Recruitment Program (FEORP) to achieve certain, specific, diversity recruitment goals. The program's oversight is provided by OPM. The program directly overlaps the government's affirmative action programs, a similar mandate with program oversight provided by EEOC. Since recruitment is regarded as a human resource domain but compliance is regarded as an EEO domain, two programs with the same objectives reside in two different government agencies and, within the agencies, in two separate business functions. As a result, they often overlap, duplicate, or directly conflict with each other, creating an unmanageable burden on agency managers and an adverse effect on workforce diversity.

The most recent, glaring example of this phenomenon is OPM's Recruitment One Stop initiative. This OPM initiative launched at the same time that EEOC issued implementing guidance regarding affirmative action in EEOC's Management Directive 715, effective October 1, 2003. EEOC's directive states that agencies must:

- *"Maintain a system that tracks applicant flow data, which identifies applicants by race, national origin, sex and disability status and the disposition of all applications.*
- *Maintain a tracking system of recruitment activities to permit analyses of these efforts in any examination of potential barriers to equality of opportunity."*

EEOC recognizes that effective workforce representation analysis coupled with specific recruitment strategies and activities is the fundamental building block to improving diversity in Government. Having acknowledged this simple fact, EEOC then issued its Directive. In direct conflict with the EEOC initiative, OPM simultaneously released Recruitment One-Stop without including any process for capturing, tracking, or analyzing such data and thereby making it virtually impossible for any agency using ROS to hire while complying with EEOC requirements. In fact, the OPM ROS representative stated, at the September 23, 2003 hearing on OPM's e-gov initiatives that OPM did not now, and could not, collect data concerning the race, sex, or national origin of the applicants coming through the ROS site (Subcommittee on Technology, Information Policy, Intergovernmental Relations, and The Census, House Committee on

Government Reform). This is a terrible and, potentially, extremely harmful oversight by OPM. Its long term effect further disengages the recruitment and hiring processes from agency EEO programs where agencies may take legitimate, lawfully-provided, preventive and corrective actions to improve workforce representation.

This is further exacerbated by OPM's insistence that its Recruitment One Stop strategy be the only means by which citizen-applicants learn about and apply for Federal positions, making its USA JOBS portal the 'funnel' by which citizen-applicants are channeled and then routed to job opportunities. This focus on 'exclusivity' also flies in the face of prevailing guidance from EEOC. EEOC, in its Directive states that *"In conducting its self-assessment, agencies shall compare their internal participation rates with corresponding participation rates in the relevant civilian labor force (CLF). Geographic areas of recruitment and hiring are integral factors in determining "relevant" civilian labor force participation rates."*

OPM's exclusive use of Recruitment One Stop prevents agencies from answering the EEOC question, *"Are recruitment efforts resulting in a cross-section of qualified applicants? Is there a significant disparity between the proportion of a racial, national origin or gender group in the agency's applicant pools and the proportion of that group in the relevant labor markets from which applicants are drawn?"*

The Directive points to long-standing (1978) guidance regarding how underrepresentation determinations are made. Comparison to the relevant civilian labor force statistics means the agency must factor in the local or occupation-specific recruitment pool as its most accurate measurement context. With OPM's desire to make Recruitment One Stop an exclusive job portal, agencies will lose the ability to target recruitment efforts locally and, where they might do so, lose directly targeted applicants in the swimming mass of résumés in the OPM system.

While OPM has jurisdiction and oversight in matters of Government HR *policy*, its attempt to inject itself in *operations* through Recruitment One-Stop will unquestionably produce an inferior and legally risky result. In similar efforts over the past 15 years, since OPM has neither a mandate nor the expertise in operations or leading-edge technology, it has consistently demonstrated a decided lack of effectiveness in any technology-related effort.

Of equal importance, OPM mistakes the need for setting policy requirements on agencies, such as setting a time limit on how long an agency takes to respond to an applicant, for some perceived need to itself provide and operate a system that would accomplish such a result. OPM's approach to Recruitment One-Stop ignores, in fact, not only OPM's complete lack of relevant resources and expertise, but also the clear conflict of interest in providing services to the agencies it regulates.

Effective agency recruitment strategies, whether for senior executives or front-line employees, are inherently local and mission-unique. While a single job portal may seem efficient in the abstract, diversity recruitment does not lend itself well to a "one-

size-fits-all” strategy. Diversity, inherently, does not lend itself to a homogenized process or communications conduit. To reach the highest caliber talent with the greatest effectiveness and efficiency, agencies need to turn to precisely targeted recruitment sources using the very best technology solutions available.

If allowed to continue in its effort to make Recruitment One Stop as the only outreach and intake portal, OPM will have a dramatic and irreversible negative impact on Federal workforce diversity. Although clearly one means of information dissemination, it does not, and cannot, reach out to the diverse communities of citizen-applicants in this country. Even when coupled with OPM-sponsored job fairs in limited major metropolitan areas, the site’s capability to serve as an effective diversity recruitment tool falls far short of meeting true diversity recruitment objectives and requirements. Avue has agency clients, for example, that conduct, on average, more than 200 recruiting events *per month*, an effort that OPM cannot even begin to equal.

An observation by the Black Data Processing Associates sums up the issue of how OPM’s strategy adversely impacts hiring efficiency:

“The job hunt game is constantly changing. You can no longer submit your résumé to the proliferation of career sites and then wait to be called. ... Companies are inundated with literally thousands of résumés and now they are faced with the laborious task of screening résumés. It is hit or miss whether you make the final cut...”

This statement underscores the critical point of all of these issues. Ultimately, all the résumés collected, hits on a website, and jobs posted are irrelevant if the process does not result in legitimate hires. It is particularly telling that OPM’s Recruitment One-Stop strategy focuses on a resume-based hiring process, which even in an electronic form constitutes, at best, “paving the cowpath.” The few agencies that have sought to use resume-based systems have learned that such systems produce almost nothing in the way of efficiency, effectiveness, or cost savings.

Unemployment affects minorities at a significantly higher rate than non-minorities -- at least double in most demographics. This pool of job seekers provides the Federal government with a unique opportunity to improve its workforce balance. Increasing diversity in the Federal workforce requires not only more effective outreach, but also deployment of significantly more efficient methods that move applicant-citizens into jobs faster. OPM has remarked that the use of résumé or single application systems allows the Government to identify “passive” job seekers, that is, applicants with résumés “parked” in the pool but not actively engaged in applying for specific jobs. It also offers anecdotal information that job applicants are somehow deterred from seeking Government positions on the basis that the application process is too difficult to follow. On the contrary, Avue’s client agencies current average 215 applicants per job posted. Such volumes of applicants factually contradict OPM’s stated rationale that the Government is not an attractive employer or that the Federal Government has difficulty

bringing applicants through the Government process. This point is well made in another quote from Black Data Processing Associates:

“Civil service careers in government agencies can be very attractive, especially for long-term career potential.”

Simply accepting resumes online does virtually nothing for agencies or citizen-applicants and can hardly be considered “E-Government” – especially considering the far superior technology available. Résumé-based hiring systems in government actually increase the infrastructure cost in agencies, not decrease it. For example, a large Defense component, in FY00, estimated its ongoing infrastructure improvement, maintenance, and change management costs for a résumé-based hiring system would be \$25MM for a one-time upgrade. Using this system, the agency had an admitted backlog of approximately 9,000 open positions with an exponential growth, given the lack of HR resources to process hiring actions, in the out-years. It is common for Federal HR personnel to greatly underestimate the total cost of ownership of various technology solutions, in particular, where the system does not effectively reengineer the business process involved. Lack of process reengineering not only adds costs, it elongates transaction cycle time. With OPM defaulting to a retro-70’s era of one job application process for all, these same outcomes are expected, however unintended they might be.

Coupled with the cost increase, résumé-based systems also shift the HR burden to hiring managers by default. Since the systems used do not perform any assessment of the individual’s qualifications for the job, the hiring manager must now sort and sift through hundreds of applicants. Indeed, one should never confuse résumé search capability with effective applicant assessment. This increases the labor cost and also adds significant discrimination risk into the process.

This leads us to the other major constraining factor in diversity recruitment – use of artificial, inapplicable, or inappropriate criteria in the selection process. Here, EEOC states that agencies must determine:

- *“whether certain qualification standards are truly necessary to the successful performance in a position; and*
- *whether selection criteria used to assess qualifications that have been found to exclude or adversely impact a particular racial, national origin or gender group truly measure the knowledge, skills and abilities that they purport to measure, and whether alternative criteria are available that do not disadvantage any particular group.”*

With the applicant assessment process effectively handed to hiring managers, the risk window widens. Unintentionally, indeed habitually, managers will generally apply legacy criteria in evaluating applicant qualifications. With such an onslaught of résumés, it is not surprising that managers introduce criteria into the process that not only bypasses thoughtful consideration of potential adverse impact but also may violate the Merit System or the Uniform Guidelines on Employee Selection Procedures.

Managers are, theoretically, protected from making such violations by careful job analysis, under the watchful eye of HR and EEO professionals, prior to even posting the position. This process is the most expensive and time-consuming part of the hiring process, second only to applicant assessment. With OPM's Recruitment One Stop, the job posting process is effectively detached from the job analysis process.

In fact, OPM plans to introduce capability to post positions from grossly generalized criteria, bordering on personality traits such as "integrity" or "ethics" rather than merit-based, job valid criteria. This deliberately places the agency in jeopardy by encouraging the use of criteria known to have been found contrary to the Merit System and Uniform Guidelines. Such actions will have managers believing that their personal assessment of such characteristics is valid job selection criteria. Nothing could be further from the truth or more harmful to gaining diversity in the hiring process. The more generalized the criteria, the more likely managers are to make serious errors in the selection process, especially when faced with a monstrous mountain of résumés.

We believe these two persistent systemic problems continue to plague the Government's ability to improve its workforce diversity and hire citizen-applicants effectively. Indeed, given the tactics and direction of OPM with regard to Recruitment One Stop, this will likely continue for years to come. We know, from our own experience, however, that this does not have to be the case.

It should be the mission of government recruiters to extend their reach to the broadest possible audience when seeking to fill Federal jobs. It's the only way to assure that the applicant pool for each job vacancy consists of the most diverse group of applicants possible. By empowering agencies with the technology tools necessary to maintain compliance with the Merit System, we take a step in the right direction towards a more qualified, diverse workforce, and, ultimately, a more diverse SES.

I'd like to thank the Chairwoman and the rest of the subcommittee for the opportunity to speak to you here today, and I look forward to any questions that you might have.